

Utah Association of Counties Insurance Mutual Semi-Annual Membership Meeting

Holiday Inn - Sabra B Room - 3:00 p.m.

St. George, Utah

Wednesday, November 11, 1992

Attending: Gary Sullivan, Beaver County Commissioner; John Rausch, Box Elder County Purchasing Agent; Seth Allen, Cache County Executive; Jerry Hess, Davis County Deputy Attorney; Gayle Stevenson, Davis County Commissioner; Rick Reynolds, Duchesne County Commissioner; Dixie Thompson, Emery County Commissioner; Tom Hatch, Garfield County Commissioner; David Knutson, Grand County Commissioner; Kenneth Brown, Rich County Commissioner; Leonard Blackham, Sanpete County Commissioner; Merlin Ashman, Sevier County Commissioner; Dennis Ewing, Tooele County Clerk; Max Adams, Uintah County Commissioner; Pete Colman, Wasatch County Commissioner; Scott Hirchi, Washington County Commissioner; Rick Bailey, San Juan Commission Administrative Assistant, Guy Burningham, Deputy Utah County Attorney, Kent Sundberg, Utah County Deputy Attorney; Brent Gardner, UACIM Administrator; Jess Hurtado, RBH; Jay Odice, Vice President, Rollins Burdick, Hunter; Harry Bowes, Consultant; Dave Nelson, UACIM Loss Prevention Manager; Allan Chapman, CCI Loss Prevention Manager; Lana Moon, Millard County Commissioner.

COMMENCEMENT BY COMMISSIONER TOM HATCH

Meeting was called to order by UACIM President Tom Hatch. Mr. Hatch noted that this was the second semi-annual meeting for the Mutual. The first was held in January of this year. As President, he expressed his view that the Mutual had accomplished all that it was intended to do up to this point in time. He was pleased with the efforts for those working with and for the Mutual and wanted all members to be aware that he was resigning as President at the end of the meeting for the purpose of devoting more time to other responsibilities, but that the Mutual was in excellent condition. Scott Hirschi and Leonard Blackham would be leaving the Mutual due to the results of the last elections, as well. The Board has elected Mr. Gary Herbert of Utah County to take over as President and Mr. Jerry Hess from Davis County to serve as Vice President.

UACIM FINANCIAL STATUS

Mr. Gardner presented the financial report for the month ending October, 1992. The amounts collected in premiums from the counties were allocated 80% to fund the operation of the Mutual and 20% to surplus. This would mean that there is already a 20% savings in premium for those counties in the Mutual at this time which should increase unless there are unanticipated large losses in the coming months. The equity for each county in the surplus is kept separate from year to year and with the expected losses between now and the year's end, counties should receive an even greater savings. All premiums have been paid in full at this time. Interest is being earned on balances held by the Mutual through investment in the Public Treasures Investment Fund. The actual interest earned is less than budgeted because interest rates remain lower than expected. As of October 31, the number of claims outstanding was 92, with total reserves of \$259,231. there has been one large open claim filed in Uintah County which

continues to cause a negative variance in the open loss reserves. By the end of the year, the paid losses and reserves should be very close to projections made prior to the formation of the Mutual.

LOSS PREVENTION SUMMARY

Mr. David Nelson reviewed the loss prevention activities of the Mutual over the past few months. He has visited with each county initially to become more familiar with their operation and personnel. Within the next month or so, he will be conducting a more in-depth risk review for each county, outlining areas for improvement to reduce exposure to risks. The Mutual has invited Mr. Allan Chapman from the Colorado Counties Property and Casualty Pool to share information and advise UACIM on its loss prevention activities. Mr. Nelson informed the members that a series of training meetings had been scheduled from 1993 starting with "Employee Discipline and Termination." He will be sending out a schedule for other areas of training that will take place during the coming year.

Mr. Allan Chapman was introduced to the members as the Loss Prevention of the Colorado Counties Property and Casualty Program. Mr. Chapman congratulated counties in Utah for starting their own program. He is of the opinion there are big savings to be realized from aggressively managing the risks in counties. He had spent some time working with Mr. Nelson and offering suggestions on putting together a loss prevention plan for Utah. He also offered to share other information that may be of help such as videos, publications, policies, etc.

SPECIAL DISTRICT POLICY

A copy of the special district policy as adopted by the UACIM Board of Directors was handed out to the members (See attached exhibit). In implementing the Mutual throughout the state, numerous cases were brought up where special districts were supposedly covered under previous policies of the counties and wanted to continue under UACIM. After further investigation, the Mutual Board of Directors has determined that many of the districts did not, in fact, have the coverage they thought they had under previous policies and were bare. To preserve the control and integrity of the Mutual policy and program, the Board adopted the Special District policy as outlined. Counties with questions about any of their districts should immediately contact UACIM for clarification.

LITIGATION MANAGEMENT COMMITTEE

Mr. Guy Burnigham was asked to present a recommendation from the litigation management committee regarding land use and inverse condemnation which has arisen out of cases filed in one or two counties already this year. Specifically, the problem stems from land use cases which are not covered by the UACIM except when filed in connection with claims of civil rights violations. The litigation management committee has found it impossible to separate such claims for purposes of defense. Therefore, the proposed policy (see attached exhibit) modification would expand UACIM coverage of legal defense costs up to \$50,000 shared equally by the county and UACIM. The county is to reimburse UACIM upon completion of the case. The proposed policy was discussed by those attending along with the increased cost to add

the policy change to the existing coverages. Mr. Adams made a motion to approve the proposed policy change and to add the increase in premium to the 1993 billings. The motion passed unanimously.

THIRD PARTY VENDORS

Mr. Hurtado presented a new policy which members of the mutual could offer to third party vendors when they participate in county sponsored events or activities. The critical requirement is for the county to make sure all third party vendors have insurance before they are allowed to participate in county events. If they do not, the policy offered through UACIM can be utilized. If needed, contact Mr. Hurtado at RBH. He will see that you receive the help.

BOARD OF DIRECTORS NOMINATIONS

Mr. Hatch opened the meeting to nominations to the Board of Directors. The following were nominated to serve on the UACIM Board: Gary Herbert representing second class counties; Max Adams representing third class counties; Ty Lewis representing fourth class counties; Gary Sullivan representing fifth class counties; and Dennis Ewing at-large. No other nominations were made for the Board. Those nominated were elected by unanimous vote.

UACIM BUDGET

The 1993 budget for the UACIM as adopted by the Board was presented by Mr. Gardner. Two items in the budget were explained. The increase in the fee for claims administration and the increase in the fee for administration. The question was raised concerning where the previous budget had been reduced to offset the increases as shown. Following further discussion, the budget was approved by the members.

LOSS AND CLAIMS REPORT

Mr. Gardner reviewed the consolidated loss and claims report with the members as of the end of October. Total claims received is 194. Of that amount 102 have been closed while 92 remain open. By far the largest number of claims filed has come in the areas of auto liability property damage and auto physical damage totaling more than half of all the claims. The largest net loss payments have come in those same two areas as well. Davis county has had the highest number of claims filed to date of 48, followed by Washington County's 17. The most expensive claims paid, however, have been those filed in Emery County and Tooele county. Emery county's eleven claims have resulted in net losses of nearly four times more than the 48 claims filed in Davis County. All of which points out the need for each county to be consciences and active in managing its risks for the benefit of all members.

DATE AND TIME SET FOR NEXT MEMBERSHIP MEETING

The next semi-annual membership meeting will be held in conjunction with the UAC Spring Management Conference in April. The date will be April 14, 1993 in Cedar City , Utah.

UAC Insurance Mutual Membership Meeting

Holiday Inn - Sabra B Room - 12:00 Noon
St. George, Utah
Wednesday, November 11, 1992

A G E N D A

1. Call to Order
2. Financial Report
3. Loss Prevention Report
 - Risk Reviews
 - Loss Committees
 - Training Seminars
 - Legal Advise
 - Loss Prevention Plan for 1993
4. CCI Loss Prevention Program
5. Special District Policy
6. Insurance for Third Party Vendors
7. Election of Board Members
8. Report on 1993 Budget
9. Consolidated Coverage Loss and Claim Experience

Sign Up Sheet

11-11-92

UAC Insurance Mutual Membership Meeting

Tom Hatch	Cartfield County
SCOTT HIRSCHI	WASHINGTON COUNTY
GERALD HESS	DAVIS COUNTY
DENNIS D. ELWING	Tooele County
Sid Groll	CACHE COUNTY
Sarah Ann Storchy	Cache County
ALLEN JENSEN	BOX ELDER COUNTY
Ty Lewis	San Juan County
Tim Merlin Ashman	Sevier County
ALLEN E. CHAPMAN	County Technical Services, Inc. (COO)
DAVID L. NELSON	UAC IV
Doug Alexander	Rollins Tech. Services
Jay Oelke	Rollins Plumbing & Sewer
Rick Bailey	SAN JUAN COUNTY
Max Adams	Uintah County
Gary Sullivan	Beaver County
Leonard Blackham	Sanpete County
Jess HURTADO	BROKER
Fanny Lewis	UAC Consultant

